

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 1107 - SB 1427

April 3, 2023

**SUMMARY OF BILL AS AMENDED (006142, 007115):** Vacates, decreases, and restructures the Tennessee State University (TSU) Board of Trustees from 10 members to 5 members. Extends the termination date of the TSU Board of Trustees to June 30, 2025. Under the *Tennessee Governmental Entity Review Law*, the Board is scheduled to terminate on June 30, 2023. Requires the TSU Board of Trustees to collaborate with the Tennessee Higher Education Commission (THEC) in the development and implementation of a corrective action plan to remedy recurring failures in the university's processes and controls to improve and ensure the university's operational effectiveness. Requires the board to submit a report to the Education Committees of the Senate and House of Representatives on the development and implementation of the corrective action plan no later than January 1, 2024.

**FISCAL IMPACT OF BILL AS AMENDED:**

**NOT SIGNIFICANT**

Assumptions for the bill as amended:

- TSU Board members are responsible for TSU's management and governance, including curricula, program development, budgeting, procurement, and tuition and fee levels.
- Pursuant to Tenn. Code Ann § 49-8-201(f)(1)(A) each state university board consists of 10 members of which 9 members are voting members and 1 member is a nonvoting member. The TSU board consists of:
  - 8 voting members are appointed by the Governor, of which;
    - 6 voting members should be a resident of Tennessee.
    - 3 members appointed by the governor are to be alumni of TSU.
  - 1 voting faculty member appointed by TSU.
  - 1 non-voting member must be a student appointed by TSU.
- The provisions of the legislation are relative only to TSU. The new board will consist of 5 voting members.
  - 2 voting members appointed by the Governor.
    - 2 voting members must be alumni of TSU.
  - 1 voting member appointed by the Speaker of the House of Representatives.
  - 1 voting member appointed by the Speaker of the Senate.
  - 1 voting faculty member appointed by TSU.
- TSU Board members serve as unsalaried trustees. Board members are eligible to receive travel reimbursement.

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- According to TSU no Board member has requested or received a reimbursement for Board related travel in the current fiscal year or previous fiscal years; therefore, the reduction in members will not reduce TSU board travel reimbursement expenditures.
- TSU Board's expenditures were \$8,619 in FY20-21 and \$4,915 in FY21-22.
- Reducing the number of Board members from 10 to 5 will not significantly decrease board expenditures as operations of the Board will continue to exist.
- TSU's Board can collaborate with THEC and submit the required report within existing resources.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

/lm